

AMENDED IN SENATE APRIL 4, 2016

SENATE BILL

No. 1213

**Introduced by Senator Wieckowski
(Coauthors: Senators Glazer and Hill)**

(Coauthors: Assembly Members Baker, Campos, Chiu, Frazier, Gordon,
Levine, Mullin, and Ting)

February 18, 2016

An act to add Section 39719.3 to the Health and Safety Code, and to add Chapter 7.8 (commencing with Section 25680) to Division 15 of the Public Resources Code, relating to renewable energy, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1213, as amended, Wieckowski. Renewable energy: biosolids: matching grants.

Existing law requires the State Energy Resources Conservation *and Development* Commission to administer various grant programs, including a program to provide incentives for liquid fuels fermented from biomass and biomass-derived resources.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms to achieve its goals. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund.

This bill would require the commission to develop and implement the Biosolids to Clean Energy Grant Program to provide 50% matching

funds to local wastewater agencies for biosolids to clean energy capital projects. ~~The Beginning with the 2016–17 fiscal year, the bill would continuously appropriate \$20,000,000 annually from the fund to the commission for purposes of the program. The bill would, for the 2016–17 fiscal year, appropriate an additional \$12,000,000 from the fund to the Bay Area Biosolids to Energy Coalition for the design and construction of a regional biosolids to clean energy project located in the San Francisco Bay Area.~~

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California wastewater agencies generate 2.75 million tons
- 4 of biosolids each year.
- 5 (b) Biosolids management primarily consists of agricultural
- 6 land application and landfill disposal.
- 7 (c) Agricultural land application is discouraged by many local
- 8 governments, leading to increased landfill disposal and methane
- 9 emissions. Most agricultural land application sites are located far
- 10 from urban areas and wastewater treatment facilities, causing
- 11 biosolids to be trucked many miles, resulting in increased
- 12 petroleum consumption and ~~greenhouse gas emissions.~~ *emissions*
- 13 *of greenhouse gases.*
- 14 (d) The Legislature, pursuant to Section 41780.01 of the Public
- 15 Resources Code, established the policy goal of the state that not
- 16 less than 75 percent of solid waste generated be source reduced,
- 17 recycled, or composted by year 2020, and annually thereafter.
- 18 (e) In his 2015 inaugural address, the Governor called upon the
- 19 state to reduce fuel consumption by 50 percent by 2030.
- 20 (f) In the San Francisco Bay area, hauling of biosolids by only
- 21 19 wastewater agencies contributes to one million trucking miles
- 22 and consumption of 153,000 gallons of petroleum.
- 23 (g) Chapter 547 of the Statutes of 2015 requires electric utilities,
- 24 by 2030, to increase to 50 percent the amount of electricity derived
- 25 from renewable resources.
- 26 (h) Biosolids are a renewable resource for energy generation
- 27 and can be converted to energy and useful byproducts without

1 incineration using various technologies, including, but not limited
2 to, supercritical water oxidation technology, which utilizes oxygen
3 and high pressure to create steam or hot water ~~which~~, *that*, in turn,
4 can generate electricity.

5 (i) Biosolids are generated locally and biosolids to energy
6 projects can be deployed regionally as part of expanded regional
7 distributed generation projects serving local microgrids.

8 (j) California leads the nation in innovation and research and
9 development. Conversion of biosolids to energy has been proven
10 on a small scale. A public-private partnership among local
11 agencies, state government, and private enterprises to demonstrate
12 a commercial scale biosolids to energy project is consistent with
13 California's leadership in promoting and creating renewable
14 energy.

15 SEC. 2. Section 39719.3 is added to the Health and Safety
16 Code, to read:

17 39719.3. Notwithstanding Section 13340 of the Government
18 Code, *beginning with the 2016–17 fiscal year*, the sum of twenty
19 million dollars (\$20,000,000) annually is hereby continuously
20 appropriated from the fund to the State Energy Resources
21 Conservation and Development Commission for the Biosolids to
22 Clean Energy Grant Program developed pursuant to Chapter 7.8
23 (commencing with Section 25680) of Division 15 of the Public
24 Resources Code.

25 SEC. 3. Chapter 7.8 (commencing with Section 25680) is added
26 to Division 15 of the Public Resources Code, to read:

27
28 CHAPTER 7.8. BIOSOLIDS TO CLEAN ENERGY GRANT PROGRAM
29

30 25680. For purposes of this chapter, “biosolids to clean energy
31 capital project” or “project” means a capital project that uses
32 biosolids to generate useful heat energy or electricity, liquid or
33 gaseous fuels, or useful byproducts using nonincineration
34 technology in a manner or location that also reduces the emissions
35 of greenhouse gases as compared with biosolids management
36 practices in use at the time of the enactment of this chapter, such
37 as through a reduction in trucking biosolids to offsite landfill or
38 land application sites.

39 25681. The commission shall develop and implement the
40 Biosolids to Clean Energy Grant Program to award, on a

1 competitive basis, grants to local wastewater agencies providing
2 50-percent matching funds for biosolids to clean energy capital
3 projects.

4 25682. An applicant for a grant shall submit to the commission
5 an application on a form prescribed by the commission. The
6 applicant shall specify the sources of the matching funds for the
7 project.

8 25683. (a) In awarding a grant pursuant to this chapter, the
9 commission shall consider the following:

10 (a)

11 (1) The cost-effectiveness of the project.

12 (b)

13 (2) Any other factors deemed appropriate by the commission.

14 (b) *The commission shall not award grants pursuant to this*
15 *chapter to local wastewater agencies that are subject to a*
16 *compliance obligation pursuant to regulations implementing a*
17 *market-based compliance mechanism described in Part 5*
18 *(commencing with Section 38570) of Division 25.5 of the Health*
19 *and Safety Code.*

20 25684. The commission shall implement this chapter using
21 moneys appropriated pursuant to Section 39719.3 of the Health
22 and Safety Code and from any other moneys appropriated for
23 purposes of this chapter.

24 ~~SEC. 4. (a) In addition to the amount appropriated pursuant~~
25 ~~to Section 39719.3 of the Health and Safety Code, for the 2016-17~~
26 ~~fiscal year, the sum of twelve million dollars (\$12,000,000) is~~
27 ~~hereby appropriated from the Greenhouse Gas Reduction Fund,~~
28 ~~established pursuant to Section 16428.8 of the Government Code,~~
29 ~~to the State Energy Resources Conservation and Development~~
30 ~~Commission to provide 50-percent matching funds to the Bay Area~~
31 ~~Biosolids to Energy Coalition for the design and construction of~~
32 ~~a regional biosolids to clean energy project located in the San~~
33 ~~Francisco Bay area.~~

34 (b) ~~For purposes of this section, “biosolids to clean energy~~
35 ~~project” means a project that generates electricity by creating steam~~
36 ~~or hot water through the conversion of biosolids without~~
37 ~~incineration using supercritical water oxidation technology utilizing~~
38 ~~oxygen and high pressure.~~

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